

**DEPARTMENT OF INFORMATION TECHNOLOGY AND TELECOMMUNICATIONS
DoITT**

NYC Technology Center
11 MetroTech Center
Brooklyn, NY 11201
(718) 403-8000

DOCKET FILE COPY ORIGINAL

RALPH A. BALZANO
Commissioner
NYC Chief Information Officer

RECEIVED

SEP 25 1997

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

BENJAMIN LIPSCHITZ
Telecommunications Counsel
Direct Dial: 718-403-8503
Fax: 718-403-8504

September 25, 1997

Office of Secretary
Federal Communications Commission
1919 M Street, Room 222
Washington, D.C. 20554

Re: Potential Exhaustion of, and Allocation of Aggregated Requests For, Funds for Universal Service Support for Schools and Libraries: CC Docket No. 96-45 and DA 97-1957

Dear Mr. Caton:

Attached please find an original conformed plus four conformed copies of the comments of the City of New York Department of Information Technology and Telecommunications, on behalf of the City of New York, in the above matter.

Sincerely,


Benjamin Lipschitz

**DEPARTMENT OF INFORMATION TECHNOLOGY AND TELECOMMUNICATIONS
DoITT**

NYC Technology Center
11 MetroTech Center
Brooklyn, NY 11201
(718) 403-8000

RALPH A. BALZANO
*Commissioner
NYC Chief Information Officer*

RECEIVED

SEP 25 1997

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)

Federal-State Joint Board)
on Universal Service)

CC Docket No. 96-45

DA 97-1957

To: The Commission

**COMMENTS OF THE CITY OF NEW YORK
DEPARTMENT OF INFORMATION TECHNOLOGY AND TELECOMMUNICATIONS**

Benjamin Lipschitz
Telecommunications Counsel

City of New York
Department of Information Technology
and Telecommunications (DoITT)
11 MetroTech Center, 3rd Floor
Brooklyn, NY 11201
718-403-8500

September 25, 1997

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of

Federal-State Joint Board
on Universal Service

CC Docket No. 96-45

DA 97-1957

To: The Commission

COMMENTS OF THE CITY OF NEW YORK DEPARTMENT OF INFORMATION
TECHNOLOGY AND TELECOMMUNICATIONS

The City of New York Department of Information Technology and Telecommunications ("DoITT"), on behalf of the City of New York (the "City"), respectfully submits these Comments in response to the Federal Communications Commission's (the "Commission") Public Notice¹ requesting comments on the potential exhaustion of, and the allocation of aggregated requests for, funds for universal service support for schools and libraries. DoITT is the New York City agency that is charged with, among other things, planning, formulating, coordinating and advancing telecommunications policies for the City of New York.

I. INTRODUCTION AND SUMMARY

To ensure the appropriate distribution of the universal service support for schools and libraries (the "Funds"), the Commission should permit distribution of the Funds on an equal priority basis within certain "rolling" windows. Such windows would avoid unnecessary administrative burden on the Funds Administrator and ensure that aggregated requests for funds

¹ Public Notice 62 Fed. Reg. 48,280 (1997).

receive their deserved share of the Funds. Moreover, if the Funds are exhausted within a window, consistent with the standard of priority set by the Commission, distribution of the funds should be subject to a pro-rata reduction based on economic disadvantage of the applicants. In instances when the Funds are exhausted within a window, this pro-rate reduction would obviate the need for the \$250 million trigger mechanism.

II. THE COMMISSION SHOULD PERMIT DISTRIBUTION OF THE FUNDS FOR UNIVERSAL SERVICE SUPPORT FOR SCHOOLS AND LIBRARIES ON AN EQUAL PRIORITY BASIS WITHIN CERTAIN "ROLLING" WINDOWS SUBJECT TO A PRO-RATA REDUCTION BASED ON ECONOMIC DISADVANTAGE.

The City is interested in ensuring that it obtains the appropriate amount of the Funds to meet the telecommunications needs of its libraries and schools. Consistent with the Commission's policy of encouraging schools and libraries to purchase its telecommunications services in the most efficient and effective manner, certain schools and libraries may choose to aggregate their request for Funds to encompass a large number of schools and/or libraries. These aggregated applications will necessarily take longer to complete because of the complexities of determining the most efficient and effective manner of compiling the combined telecommunications needs assessments and the technology plans for all of the constituent schools and libraries.

Under a first-come first served policy of distributing the Funds, however, these aggregated requests, which may take longer to complete than many smaller requests, may not reach the Funds administrator until the Funds are exhausted. Large aggregators would be unfairly denied Funds. Accordingly, to ensure consistency with the Commission's policy to encourage schools and libraries to purchase their telecommunications services in the most efficient and effective manner, the Commission's policy of distributing the Funds on a first-come, first-served basis should be modified.

The Commission should permit distribution of the Funds on an equal priority basis within certain "rolling" windows of time. Providing an equal priority window would avoid a situation where an applicant would be denied Funds because the applicant chose, for purposes of efficiency and effectiveness, to aggregate many constituent schools and/or libraries requests. Aggregated Funds requests would receive a fair opportunity to receive the Funds. Providing "rolling" equal priority windows would avoid administrative burden for the Funds Administrator who would be unnecessarily inundated with many requests within a single window of time.

For the initial application period, beginning when the application is ready and the schools/libraries web site is ready, it may be necessary to have a window of eight weeks. This would be appropriate, given that there has been a delay in preparing the application and given that this is the first time schools and libraries are preparing and submitting such applications. An initial window of eight weeks would allow applicants adequate time to respond to the inevitable questions that will arise in any first-time filing of the complexity inherent in this proceeding. Subsequent windows for filing applications may appropriately remain open on a "rolling" basis for two-week periods.

If there are insufficient Funds to distribute to all applicants within any window period, the window applicants should receive a pro-rata reduction of their request for Funds based on criteria that ensures the most economically disadvantaged schools and libraries receive the least pro-rata reduction of the Funds. This standard of needs criteria is consistent with the standard set by the Commission in the event of Funds exhaustion. In other words, if there are insufficient Funds within a window, priority should be given to the most economically disadvantaged schools and libraries.

In cases when the Funds are exhausted within a window, the pro-rata reduction mechanism, moreover, should replace the \$250 million trigger mechanism for exhaustion of the Funds. Such a trigger mechanism is not necessary to ensure that the most economically disadvantaged schools and libraries receive their fair share of the Funds.

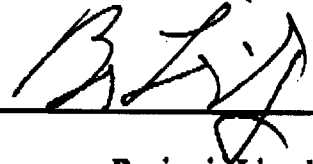
III. CONCLUSION

To ensure the appropriate distribution of the Funds, the Commission should not distribute the Funds on a first-come, first-served basis. Distribution of the Funds should occur on an equal priority basis within certain "rolling" windows. Such windows would avoid unnecessary administrative burden on the Funds Administrator and ensure that aggregated requests for Funds receive their deserved share of the Funds. Moreover, if the Funds are exhausted within a window, distribution of the funds need not be subject to the \$250 million trigger mechanism. Instead, distribution of the Funds should be subject to a pro-rata reduction based on economic disadvantage of the applicants.

Respectfully submitted,

City of New York
Department of Information Technology
and Telecommunications (DoITT)

by



Benjamin Lipschitz
Telecommunications Counsel
DoITT
11 MetroTech Center, 3rd Floor
Brooklyn, NY 11201
718-403-8500

September 25, 1997

CERTIFICATE OF SERVICE

I, Benjamin Lipschitz, certify that copies of the attached conformed comments of the City of New York Department of Information Technology and Telecommunications, on behalf of the City of New York, dated September 25, 1997, was served on this 25th day of September, 1997, by in-hand delivery to each of the following persons:

Office of the Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, D.C. 20554

Sheryl Todd
Universal Service Branch
Accounts and Audits Division
Federal Communications Commission
2100 M Street, N.W., 8th Floor
Washington, D.C. 20054

International Transcription Service, Inc.
(ITS)
1231 20th Street, N.W.
Washington, D.C. 20036

Dated at Brooklyn, New York, this 25th day of September, 1997.


Benjamin Lipschitz